



October 21, 2013

Joint Legislative Committee on Local Government
Committee Chair and Committee Assistant
NC General Assembly
16 W Jones Street
Raleigh, NC 27601

AND

Fiscal Research Division
NC General Assembly
Suite 619
Legislative Office Building
300 N Salisbury Street
Raleigh, NC 27603-5925

Dear Legislative Member:

This letter is to notify you that the City of Newton intends to request approval of debt in an amount not to exceed \$4,815,200.

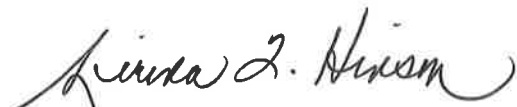
The purpose of the financing is 1) for the replacement of various equipment which has exceeded its life and/or has become costly to maintain for a total cost of \$973,000 which serves our Police, Fire, and Recreation Departments; 2) for the final phase of the Shannonbrook Water Rehabilitation Project for a total cost of \$392,200 which will replace deteriorated sixty plus year old infrastructure in an effort to provide better water flows and water pressure to that area; 3) for a stormwater rehabilitation project costing \$200,000 which will replace a 12' culvert which was installed prior to 1960 and is in poor condition; 4) construction of a new building in the amount of \$200,000 to house electrical materials and equipment; and, 5) \$3,050,000 for the construction of a new fire station headquarters and the purchase of land.

The City intends to obtain a lease purchase financing over a term of 5 or 7 years for the vehicles and equipment and 15 years for all infrastructure improvements, land, and construction of buildings. Of course the financing would be secured by each respective asset. It is the intent of the City to utilize funds from an economic development program which will cease in Fiscal Year 2014 in the amount of \$400,000 as the main source of repayment on the proposed debt within the General Fund. Also, the City will utilize funds reserved for future debt as the main source of repayment on Water and Electric proposed debt.

It is our desire to seek approval from the Local Government Commission on the January 2014 (specific date not available yet) agenda with closing of the loan scheduled for January 2014 within two weeks of LGC approval.

If you need any additional information on this request, please let me know.

Sincerely,

A handwritten signature in black ink, reading "Serina T. Hinson". The signature is fluid and cursive, with the first name "Serina" being more prominent than the last name "Hinson".

Serina T. Hinson, CPA
Finance Director
(828) 695-4258
shinson@newtonnc.gov

CC: Vance Holloman